

9100 Tax Relief

California taxpayers are provided assistance through a variety of tax relief programs. Additional relief is provided to low-income senior citizens and disabled persons. Tax relief also is provided to individuals who agree to hold their land as open space under the Williamson Act of 1965. This budget also provides payments to cities and counties to help defray revenues lost as a result of tax relief programs.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Senior Citizens' Property Tax Assistance	-	-	-	\$38,912	\$39,134	\$39,134
20 Senior Citizens' Property Tax Deferral Program	-	-	-	11,968	14,900	17,000
30 Senior Citizen Renters' Tax Assistance	-	-	-	145,025	146,630	146,630
50 Homeowners' Property Tax Relief	-	-	-	433,864	442,540	446,965
60 Subventions for Open Space	-	-	-	38,676	39,232	39,124
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$668,445	\$682,436	\$688,853
FUNDING				2005-06*	2006-07*	2007-08*
0001 General Fund				\$668,445	\$682,436	\$688,853
TOTALS, EXPENDITURES, ALL FUNDS				\$668,445	\$682,436	\$688,853

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

10-Senior Citizens' Property Tax Assistance:

Revenue and Taxation Code, Division 2, Part 10.5.

20-Senior Citizens' Property Tax Deferral Program:

California Constitution, Article XIII, Section 8.5; Revenue and Taxation Code, Division 2, Part 10.5; Government Code, Division 4, Part 1, Chapter 5.

30-Senior Citizen Renters' Tax Assistance:

Revenue and Taxation Code, Division 2, Part 10.5.

50-Homeowners' Property Tax Relief:

California Constitution, Article XIII, Sections 3 and 25; Government Code Sections 16100-16101.5 and 16120-16122.

60-Subventions for Open Space:

California Constitution, Article XIII, Section 8; Government Code Sections 16100-16101.5 and 16140-16154; Revenue and Taxation Code Sections 421-430.5.

DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Estimated Increase In Homeowners' Property Tax Relief	\$-	\$-	-	\$4,425	\$-	-
• Estimated Increase In Senior Citizens' Renters' Tax Assistance	2,805	-	-	2,805	-	-
• Estimated Increase In Senior Citizens' Property Tax Deferral Program	-	-	-	2,100	-	-
• Estimated Increase In Senior Citizens' Property Tax Assistance	922	-	-	922	-	-
• Estimated Reduction In Subventions for Open Space	-374	-	-	-482	-	-
Totals, Baseline Adjustments	\$3,353	\$-	-	\$9,770	\$-	-
TOTALS, BUDGET ADJUSTMENTS	\$3,353	\$-	-	\$9,770	\$-	-

* Dollars in thousands, except in Salary Range.

9100 Tax Relief - Continued

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 SENIOR CITIZENS' PROPERTY TAX ASSISTANCE

The Senior Citizens' Property Tax Assistance Program provides financial assistance to qualified California homeowners who are 62 years of age or older, and to blind or disabled residents regardless of age. The Franchise Tax Board administers this program.

20 SENIOR CITIZENS' PROPERTY TAX DEFERRAL PROGRAM

The Senior Citizens' Property Tax Deferral Program allows eligible homeowners to defer payment of residential property taxes. The state pays the deferred taxes to local governments on behalf of the participants, and places a lien on their property to assure repayment when the property is sold or transferred. The State Controller administers this program.

30 SENIOR CITIZEN RENTERS' TAX ASSISTANCE

The Senior Citizen Renters' Tax Assistance Program provides financial assistance to eligible low-income renters who are 62 years of age or older, and to blind or disabled renters regardless of age. The Franchise Tax Board administers this program.

50 HOMEOWNERS' PROPERTY TAX RELIEF

In order to reduce California taxpayers' property tax burden, the California Constitution exempts homeowners from paying property taxes on the first \$7,000 of the assessed value of their principal place of residence. The Constitution requires the state to reimburse local governments for revenues lost due to the homeowners' exemption.

60 SUBVENTIONS FOR OPEN SPACE

The Williamson Act permits cities and counties to enter into contracts with landowners to limit the use of land to agricultural, scenic and open-space purposes. Article XIII, Section 8, of the California Constitution permits land under such restrictions to be assessed at other than market value based on its limited use. The state provides reimbursements to cities and counties to partially defray the loss of property tax revenues. The Department of Conservation administers this program.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

2 LOCAL ASSISTANCE	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$675,415	\$679,083	\$688,853
Adjustment per Section 4.05	-4,000	-	-
Revised expenditure authority per Provision 5	1,192	3,353	-
Prior year balances available:			
Chapter 24, Statutes of 2004 (Hardship appropriation) (transfer to Motor Vehicle License Fee Account)	2,909	-	-
Totals Available	\$675,516	\$682,436	\$688,853
Unexpended balance, estimated savings	-7,071	-	-
TOTALS, EXPENDITURES	\$668,445	\$682,436	\$688,853
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$668,445	\$682,436	\$688,853

* Dollars in thousands, except in Salary Range.